

☐ UNCLASSIFIED☐ USE ONLY☐ CONFIDENTIAL☐ SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM: Director of Personnel
5 E 58 HQ

EXTENSION

NO.

PERS 77-2052

DATE

17 JUN 1977

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Deputy Director for Administration ,

2.

3.

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15.

[] forwarded a brochure concerning prepaid legal services to [] who passed it on to you (Tab A). You asked that we establish contact and give you feedback.

In light of [] merely passing the information along and stating that he did not need a reply, the information furnished below may be sufficient without our having to make further contact:

The subject of prepaid group legal insurance is not new to us, as indicated by memoranda attached at Tab B. It was looked into as a concept in 1973 and again just recently in February 1977 when we received separate independent contacts from two different representatives from the American Business Association, Inc. They were unaware of each other, one approaching us via the Credit Union and the other via the Insurance Branch. We sought the opinion of the Office of General Counsel, and their memo of 5 April 1977 is included in the material attached at Tab B. As this indicates, neither OP nor OGC is inclined to endorse, or as an Agency provide, the ABA Plan or any other prepaid legal insurance at this time.

The "group of Government employees" referred to in

[] memo is the League of Federal Recreation Associations (LFRA). It is somewhat misleading to say that this group of employees has signed up for ABA's

-- OVER --

FORM 3-62

610

USE PREVIOUS EDITIONS

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prepaid legal insurance. In actuality, LFRA is making it available to its members on a group basis just as it does life insurance. Page 8 of LFRA's newspaper for June 1977 (copy attached at Tab C) contains a large advertisement of the ABA Plan...

7c/ F.W.M. Janney

F. W. M. Janney

Dist:

- 0 - Add
- ~~1~~ - C/BSO/OP via DD/Pers/SP
- 1 - D/Pers Chrono
- 1 - ☐ Chrono

OD/Pers ☐ (17 Jun 77)

STAT

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Approved For Release 2009/08/20 : CIA-RDP87-00868R000100030022-9

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

STAT

DD/A Registry

77-3489

FROM:

EXTENSION

NO.

DATE

13 June 1977

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1

14 JUN 1977

2.

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16 JUN 1977

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16 JUN 1977

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The attached was sent to me by [] a Naval Reserve Officer brought on an active duty tour by Admiral Turner. Perhaps it is something which the Office of Personnel would want to look into to see whether there would be employees interested in some kind of a prepaid legal services program.

To 4

Please establish the contact, & then give me a feed back.

5 - Do we collect on 7/1/77
our own lab page?

FORM 3-62

610

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DD/A Registry

77-3489

PERS 77-2018

June 6, 1977

MEMO

STAT

TO:

FROM:

RE: Attached brochure

Some friends of mine here in the Washington area have formed a new company that is offering an employee group insurance plan for "pre-paid legal services." It is just like medical coverage under Blue Cross and Blue Shield, or similar group medical plans, except this is for legal services. The American Bar Ass'n has worked carefully with this new organization, and supports this plan.

I have no interest of any kind in this organization, so I am merely passing on this info at their request. They would like to talk with whomever is in charge of employee fringe benefits here, in case there should be any interest here in this kind of new thing. I saw on page 2 of the "Metro" section (top of the page) in yesterday's STAR where some group of government employees has signed up for this pre-paid legal services plan. I might mention that one of the key principals in this new organization is a close friend of former SecDef Rumsfeld.

No need to reply to me on this--again, I am merely passing along information.

STAT

B-2 The Washington Star Sunday, June 5, 1977

Smile, You GS-11s, It's Your Boss Who Has to Worry

By Joseph Young
Washington Star Staff Writer

The Senate has approved a provision requiring a 6 percent reduction in the number of GS-12 and above civilian jobs in the Defense Department.

The amendment, part of the defense procurement authorization bill approved by the Senate before its Memorial Day recess, would require a 2 percent reduction in the GS-12 through GS-18 jobs for the fiscal year starting this Oct. 1 and another 4 percent reduction for the fiscal year starting Oct. 1, 1978.

Defense now has 118,500 of these jobs whose salaries range from \$20,442 to \$47,500 a year.

Defense personnel officials say the provision would result in a severe curtailment of promotions as well as some layoffs.

"We simply couldn't accomplish all of the reductions in GS-12 and above jobs by attrition," a Defense official said. "We would have to resort to some layoffs."

Such layoffs could result in demotions for some employees in these upper grades and loss of jobs in lower grades as workers were

"bumped" out of their jobs by those in the higher grades.

The issue will be decided in House-Senate conference. The House-approved defense procurement authorization bill contained no such provision.

Defense officials hope that House conferees will prevail. They point out that the Defense Department already has ordered a reduction in the number of GS-13 — not GS-12 — and above jobs, although on not so great a scale.

They say the Senate provision takes a much more drastic approach which would cause grave problems in the Defense Department.

House-Senate conferees are scheduled to meet on the bill this week.

THE LEAGUE of Federal Recreation Associations is offering its 350,000 members a pre-paid legal service plan.

In cooperation with the American Business Association Inc., the League offers two type plans. The premium for the higher-cost plan is \$88.50 a year, and the premium for the other is \$68 annually.

Under the program, each enrollee

is provided an attorney on retainer who will handle all the legal problems covered by the contract at no cost to the subscriber.

The employees as well as their spouses and children under age 21 living at home are covered by the plans.

The higher-cost plan involves preventive law, simple wills, probate, non-contested divorces, separations and annulments (subscriber only), adoption proceedings, real estate transactions, juvenile proceedings, tenant/landlord actions, consumer laws, preparation of simple legal documents, civil actions (claims over \$1,000 to be handled on a regular contingency fee basis), claims against insurance companies (claims over \$1,000 on a regular contingency fee basis), administrative recoveries, defense of suits; unlimited consultations, traffic violations including misdemeanors and felonies but excluding parking tickets, and crimes against persons.

The lower-cost plan is similar to the higher-cost one except that it does not involve crime against persons.

For further information write to the League, Prepaid Legal Services Division, Tempo B, Room 2052, PO Box 24144, Washington 20024, or call 554-6910.

MORE THAN 70 House members have joined in sponsoring a bill to give civil service retirement credit to Japanese Americans who are federal employees and who were placed in internment camps during World War II.

These are employees who did not secure federal employment until after World War II. Those who were employees at the time of the war were later given retirement credit for the time spent in these detention camps.

It is estimated that only about 500 employees would be affected by the bill which would cost less than \$1 million a year. It certainly is a worth-

while bill and The House Civil plans hearings sponsor is Rep. Calif.

SPEAKING Congress is being a days of annual ment Printing as a result of 1933 in the depth Originally, th of them were Manbe vice Colum Typo 101, is asking Co to restore the o the employees a well use the cas days of unpaid le

THE HOUSE the bill to relax mit federal and gage actively in The bill was its sponsors from sideration seve the House appro ment that wou activities' of fe unions.

PREVENTIVE LAW

LEGAL COUNSEL

INITIATIVE ACTIONS

CONSULTATIONS

REPRESENTATION IN OTHER LEGAL MATTERS

PLAN SPONSOR

AMERICAN
BUSINESS
ASSOCIATION
INC.

(A NON-PROFIT EDUCATIONAL AND RESEARCH CORPORATION)

— PREPAID LEGAL DIVISION —

At the time of your application
coverage by giving proper notice

Benefits will be provided upon payment of a one time
enrollment fee of Twenty Dollars (\$20.00).

I would like to participate in or obtain more information
on the Pre-Paid Legal Service Program. I understand
that this does not obligate me in any way.

Payment Methods

	<u>PLAN 1000</u>	<u>PLAN 2000</u>
Monthly	() \$ 7.00	() \$ 10.00
Quarterly	() \$21.00	() \$ 30.00
Semi-Annually	() \$42.00	() \$ 60.00
Annually	() \$84.00	() \$120.00

() Payment enclosed, including \$20.00 Enrollment Fee

Date _____

PLEASE PRINT

Name _____

Address _____

City and State _____

Business Phone _____ Res. Phone _____

☐ You may enroll me ☐ Request additional
information

☐ Please Charge to my Master Charge



Account No. _____

Expiration Date _____

Signature _____

If not delighted, return in 10 days for
full REFUND.

When you choose either Plan 1000, or 2000 coverage. You may later change your election to the other
Plan to the Plan Administrator. The change will become effective 60 days after receipt of notification.

PLAN 1000 \$7.00 per month

Your Plan Administrator employs a law firm to represent all those electing Plan 1000. The Plan Administrator will pay for the services in your behalf as follows:

- Preventive Law
- Simple Wills — Subscriber and Spouse
- Probate
- Divorce, Separation or Annulment —
 Noncontested, Subscriber only
- Adoption Proceedings
- Change of Name
- Juvenile Proceedings
- Real Estate Transactions —
 Primary family dwellings
- Tenant/Landlord Actions
- Birth Certificates
- Preparation of Simple Legal Documents
- Administrative and Other Judicial
 Recoveries
- Bankruptcy — Non Business
- Consumer Law

In addition to the above benefits, you will also receive the following benefits with limitations in parenthesis.

- Traffic Violations — Misdemeanors and
 felonies (*excludes parking tickets*)
- Civil Actions (*Claims over \$1,000.00*
 to be handled on a regular
 contingency fee basis)
- Claims Against Ins. Co., Insured
 Motorist & Uninsured Motorist
 (*Claims over \$1,000.00 to be*
 handled on a regular contingency
 fee basis)

PLAN 2000 \$10.00 per month

Your Plan Administrator employs a law firm to represent all those electing Plan 2000. The Plan Administrator will pay for the services in your behalf as follows:

- Preventive Law
- Simple Wills — Subscriber and Spouse
- Probate
- Divorce, Separation or Annulment —
 Noncontested, Subscriber only
- Adoption Proceedings
- Change of Name
- Juvenile Proceedings
- Real Estate Transactions —
 Primary family dwellings
- Tenant/Landlord Actions
- Birth Certificates
- Preparation of Simple Legal Documents
- Administrative and Other Judicial
 Recoveries
- Bankruptcy — Non Business
- Consumer Law
- Unlimited Consultations
- Crime Against Persons

In addition to the above benefits, you will also receive the following benefits with limitations in parenthesis.

- Traffic Violations — Misdemeanors and
 felonies (*excludes parking tickets*)
- Civil Actions (*Claims over \$1,000.00*
 to be handled on a regular
 contingency fee basis)
- Claims Against Ins. Co., Insured
 Motorist & Uninsured Motorist
 (*Claims over \$1,000.00 to be handled*
 on a regular contingency fee basis)

The AMERICAN BUSINESS ASSOCIATION, INC. Legal Services Plan is designed to encourage subscribers to pre-plan their personal legal matters to assure themselves and their families the maximum advantages possible under the law. The Plan provides for representation in the event of personal unforeseen legal problems, including emergency legal advice and representation.

This Plan is not designed to provide legal services for business ventures of any nature.

The specific services available under the Plan — detailed in this booklet — provide for an initial interview for legal advice and consultation on a “no charge” basis. All of the legal services provided under the Plan, which cover most legal work for personal and family matters, are provided on a “no charge” basis. The only payment required is the monthly subscribers service charge.

It is hoped that the availability of the Plan will encourage you to seek the advice of an attorney before you encounter legal difficulties that might later cause you extensive cost and worry.

ADDITIONAL FACTS CONCERNING PRE-PAID LEGAL SERVICE ...

1. You will be represented by a law firm or attorney in your area. AMERICAN BUSINESS ASSOCIATION, INC. will make an agreement with a law firm or attorney to represent you.
2. Your spouse and all dependent children living at home, under the age of 21, will be eligible at no additional service charge.
3. 30-day waiting period for Preventive Law and Consultation. 90-day waiting period for all other legal benefits, except six month waiting period on Divorces.


Plan Administrator:

AMERICAN BUSINESS ASSOCIATION, INC.
2000 CENTURY PLAZA
COLUMBIA, MARYLAND 21044

WASHINGTON, D.C. 301-596-3344
BALTIMORE, MD. 301-992-5444
ALEXANDRIA, VA. 703-379-6444

STAT


Please:


1. Send a copy
OK 4/14/77 to 

STAT

2. Put original in
OK. a B8D file, and

3. Tickle for review
1 Feb 1978.

STAT


6/13/77

TRANSMITTAL SLIP		DATE 15 JUN 1977
TO: DD/Pers/SP → C/BS D <i>EJ</i>		
ROOM NO.	BUILDING	
REMARKS:		
<p>Please see attached notes.</p> <p>You may want to suspense this for 6 months from now</p> <div style="display: flex; align-items: center; margin-top: 20px;"> <div style="border: 1px solid black; width: 100px; height: 40px; margin-right: 10px;"></div> <div> <p>- D/Pers calls for a "punt".</p> <p>DC/BS D</p> </div> <div style="border: 1px solid black; width: 100px; height: 40px; margin-left: 10px; margin-top: 20px;"></div> </div>		
FROM: OD/Pers		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

STAT

STAT

21 Pers: Why district tells me we
should defer such a program
until the concept is better
tested and more established.

— ☐ STAT

Print

☐ STAT

☐ STAT

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED		CONFIDENTIAL	
		SECRET	
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	DD/Pers/SP	10 JUN 1977	
2	DD/Pers 10 JUN 1977		
3		STAT	
4			
5			
6			
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks:			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
C/BSO <i>[Signature]</i>			6/10/77
UNCLASSIFIED		CONFIDENTIAL	
		SECRET	

10 June 1977

STAT

MEMORANDUM FOR: Deputy Director of Personnel

FROM : [REDACTED]
Chief, Benefits and Services Division

SUBJECT : Prepaid Group Legal Insurance

1. The subject of providing prepaid group legal insurance to Agency employees first came up in 1972 when [REDACTED] then an NPIC employee, submitted an employee suggestion that the Agency provide such coverage in the same way it provided other group insurances. [REDACTED] suggestion was submitted by attaching a copy of a memorandum he had written to the General Counsel. [REDACTED] was subsequently reassigned to the staff of the Office of General Counsel in April 1973 and the NPIC Suggestion Awards Panel deferred to OGC for final recommendation on the suggestion. No further action is recorded in the official suggestion file. At that time, however, [REDACTED] and [REDACTED] attended a one day seminar on prepaid group legal service presented by the American Management Association in New York. It was learned there that this type of coverage was not as fully developed as newspaper articles would indicate, that most people were not receptive to the idea of purchasing legal insurance with their own funds, and the concept had had its greatest success among labor unions where it was bargained for as part of the contract with the employer and the employer paid all of the cost.

2. The subject came up again in February 1977 when representatives of the American Business Association, Inc. (ABA) met with [REDACTED] proposing that their group legal insurance be made available to Agency employees. At about the same time [REDACTED] (retired Security Officer) left information on the ABA plan indicating he wished to sell it to Credit Union members. (It was later learned that neither ABA representatives knew of the other's sales contact with the Agency nor did they know each other.) [REDACTED] indicated in a telephone conversation, when apprised of this, that he should be the one credited with any deal that was ultimately made. Thereafter, you received several phone calls from [REDACTED] and you channeled them to [REDACTED] You also requested

that we explore this matter with OGC as to concept, reputability of company, and availability of other plans. Independent of all this, but also at about the same time, [] called and asked if we still had any interest in group legal insurance. He recalled that in 1973 we had asked Mutual for information and said he had recently come across a plan that might interest us. The literature that he then sent to us was on the Fortement Association, Inc. group legal plan. Fortement lists itself as "A Maryland Non-Profit Corporation."

3. In response to your suggestion, I wrote a memorandum to OGC on 10 March, copy attached. OGC's reply is also attached. It makes no strong case for the coverage and does not endorse either of the plans mentioned because OGC is not familiar with them.

4. With questionable interest on the part of employees, some foreseeable security and cover problems, and an absence of support from OGC, I do not see the climate as being right at this time for initiating such a program. If you wish, however, we will delve deeper into the matter. Regarding the ABA plan, in our last telephone conversation with [] we indicated we would let him know when we made a decision regarding his plan. This was in response to his frequent calls wanting to make an appointment to come out and "make the pitch."

Atts

I called [] on 6/13/77. He has quit employment with ABA and thinks we made the correct decision.

10 1377

MEMORANDUM FOR: [REDACTED]

Legal Advisor, GEHA

FROM :

[REDACTED]
Chief, Benefits and Services Division

SUBJECT : Prepaid Group Legal Plans

1. In the past three weeks we have received information from two different organizations promoting prepaid group legal service plans. Neither of the firms is known to us except by the literature they left with us and which is attached. In the case of American Business Association, Inc., [REDACTED] who is representing the firm, is a retiree of our Agency. He wishes to bring the Chairman of the Board out to the building to further explain their program.

2. Will you please review this information and give us your advice concerning the concept of prepaid group legal insurance as well as the worthiness of these plans and the organizations that sponsor them. If you are familiar with any other similar plans, we would also appreciate your comments regarding them.

Att

Distribution:

- 0 - Addressee
- 1 - C/BSD Chrono
- ~~1~~ - C/BSD OGC Opinion File

OP/BSD/ [REDACTED] (10 Mar 77)

OGC 77-2304

5 April 1977

MEMORANDUM FOR:

STAT

FROM

:

Office of General Counsel

STAT

SUBJECT , : Prepaid Group Legal Plans


1. You have requested our comments regarding the concept of prepaid group legal insurance and the merits of two such plans-- American Business Association, Inc. and Fortement Association. As I have told you by telephone, this is a new concept and one about which considerably more information will be needed before the Agency could lend its support to one plan in particular. While we are able to state that in concept such plans appear worthwhile, we are not in a position to provide either categorical approval or disapproval of either of these plans at this time.

2. In principle, the Virginia State Bar, the officially sanctioned bar association in Virginia, supports such plans and, in fact, is endorsing in a pilot project a service that will operate in the Norfolk area. The Bar is aware of the Maryland plans, but as yet has insufficient information on which to reach any conclusions about them concerning, for example, whether they are financially sound. The Bar has the question under active investigation, and has contacted the Maryland Bar Association and the Fortement Association for additional information.

3. While these two plans offer legal services for apparent savings to plan members, there are some features of the plans which appear at first blush to be drawbacks. For example, only limited coverage is provided for real estate transactions or divorces. Additionally, the choice of attorneys is quite limited; thus, a plan member may not always have an attorney of his choice. However, we are not yet in a position to determine whether such features compare favorably with those of other plans.

4. In conclusion the "state-of-the-art" regarding prepaid legal services is in its infancy. In concept, such plans should work to the benefit of the consumer, but no conclusions may yet be drawn as to how

they work in practice. We intend to communicate further with the Virginia State Bar to determine the results of its investigations, and we shall certainly be available for assistance if you decide to pursue this matter.

5. Meanwhile, we have provided for your interest two relevant articles from law journals. One article discusses the tax break noted by Congress last year to prepaid legal services plans. The other, although it does not involve such plans, discusses the newly instituted lawyer referral service in Virginia. If you have any further questions or comments, please do not hesitate to call me at 

STAT


STAT

Lobbying for Low-Cost Law

by John A. Jenkins

When Congress voted a major tax break last year to prepaid legal service plans, few knew that the action might revolutionize the legal profession. But consumer activist Sandy DeMent knew.

"As employee benefits and as membership benefits, these prepaid plans are going to have a profound effect on the legal profession," says DeMent. "The relationship between clients and lawyers will change. The bargaining position of lawyers will change, even more than lawyers have already changed it themselves by flooding the market. It will be weaker, very much weaker. It will lower the status and probably the income of certain types of lawyers."

"It's going to change the way legal services are delivered to ordinary people. There is no way that traditional law practice, as we know it, can do the job. The general practice firm cannot provide routine personal legal services to the general population. That's why group and prepaid plans are being set up. They will take over the general practice of law."

DeMent, 28, heads the Washington, D.C.-based National Resource Center for Consumers of Legal Services, a citizens' lobby and research group trying to make the bar more responsive to consumers. That means making lawyers' services less expensively available, through prepaid plans, to an estimated 140 million of our "legally disadvantaged" middle class who have never consulted a lawyer.

The center was formed a few months ago through the merger of two companion organizations that had shared an office and promoted the prepaid concept for several years. One group was the Resource Center for Consumers of Legal Services, a tax-exempt, foundation-funded education and research center for prepaid plans established in 1975. The second was the National Consumer Center for Legal Services, which had been lobbying since 1972 for



Sandy DeMent

creation of more prepaid plans. They merged through a provision of the 1976 Tax Reform Act that permits tax-exempt groups to engage in limited lobbying.

Says Charles Baron, 40, a law professor who until this year was the resource center's executive director: "Now, in one place, we're trying to lead in information gathering, in education, and in organizing the consumer movement in legal services in this country."

In Washington, where often-ineffective public interest groups sprout like mushrooms after a rainstorm, the fledgling center already is beginning to make its mark. Its consumer center combined forces with the American Bar Association last year to gain passage of a Tax Reform Act amendment that makes most prepaid legal service plans tax-exempt. This has made prepaid plans an attractive union fringe benefit, and the center expects prepaid enrollments to soar as more unions begin bargaining for the tax-free benefits of a com-

closed panels or open panels. With their legal problems to a staff operation, a single law firm, or several specified firms. Open-panel plans carry no such restrictions. The center favors closed panels, and the majority of plans are organized this way, because the close, continuing relationship between the plan and its lawyers gives clients some power to regulate fees and monitor performance. But the ABA and state bar associations favor open panels, Baron comments, "because an open-panel plan gives absolutely no power away to nonlawyers to regulate the legal profession. It opens new markets and new money. It's a gold mine."

Today, about 300,000 families are covered by prepaid plans, with the member or his employer usually contributing a few cents an hour in return for some basic legal services.

Yet it's not just prepaid legal plans that the well-heeled center is promoting. Young lawyers are getting its support in setting up legal clinics that serve citizens at bargain-basement rates. State legislatures are feeling its pressure to ease restrictions on law firm use of paralegals. And such agencies as the Federal Trade Commission are using the center's staff to help break down bar association restrictions against lawyer advertising.

"The bar is not used to thinking in terms of efficient production of legal services," DeMent explains. "These prepaid plans are going to enable us, and require us, to deliver legal services to thousands of workers at a clip. Suppose the United Auto Workers decides to set up a legal services plan in Detroit. At Chrysler alone, they have 150,000 people. How do you deliver services to them if the existing delivery mechanisms are inadequate?"

"Our primary interest," adds Baron, now a center consultant, "is to do something about the bottleneck that prevents this surplus of lawyers graduating from law schools from getting to the millions of people who have never seen a lawyer, yet who have problems that could be helped by lawyers."

As a first step, the center sought the federal tax exemption for prepaid legal service plans. But to succeed the center needed the ABA's help—and the two groups made strange bedfellows.

"It's an unusual coalition," concedes DeMent. "But the amendment wouldn't have passed if there hadn't been strong support from the state bar associations, and from the ABA. Our relationship with the bar in the past has been an uneasy one. We sued the ABA in 1975. And yet, our interests do converge. The turning point came when the bar realized these plans were in its best interest."

"About 20 state bars have set up open-

John Jenkins is a Washington-based editor for a major legal publisher.

panel, prepaid legal service plans, and they were having as difficult a time as the unions were in getting their product as the unions were in getting their cautious general counsel to proceed. The tax problem was holding them both up. It converged very nicely for us."

The Tax Reform Act put prepaid legal plans on an equal footing with health insurance plans by permitting employees to exclude from their gross income both the amounts contributed by an employer to a legal service plan and the value of the benefits received. But the provision only applies to employer-funded plans, not to dues-funded plans, and it terminates December 31, 1981. Before then, the secretaries of labor and treasury must report to Congress and the president on the desirability of continuing the exemption, which opponents once claimed would cost the federal treasury \$400 million a year in lost tax revenue. The center calls that estimate "wild," and contends it was "based on the startling assumption" that everyone eventually will be covered by a prepaid plan. A more accurate estimate of the annual revenue shortfall, the center claims, would be \$1.4 million.

"We really thought it was crucial to get the amendment through, because otherwise we didn't think that legal services, as an employee benefit, would go anywhere," says DeMent. "The problem we faced in getting it together was that half the people we talked to referred to it as the 'Lawyers' Full Employment Bill,' and the other half thought it was another loophole for labor. We really had a wild mix of interests involved here. If it became a raging labor issue, we would lose our bar support, and we would lose our conservative support. If it became a raging conservative issue, we would lose our labor support and the 'anti-bar' support we had. We just tiptoed on eggs through the whole thing."

The strategy paid off. In the Senate Finance Committee, liberal Democrats like Walter Mondale of Minnesota and Abraham Ribicoff of Connecticut lined up with conservative Republicans like Paul Fannin of Arizona and Robert Dole of Kansas to support the measure.

Because labor unions have the most to gain from the amendment, the center aims its services in their direction. When the exemption was approved, requests to the center for help began to soar. "We're now getting about 35 serious inquiries a week, a sevenfold increase, from lawyers, unions, and so forth," Baron enthuses. "Originally, the majority of these inquiries were from lawyers. And consumer inquiries are up from one during the first month to 30 this month."

Operating on a budget that could reach \$400,000 this year—with heavy labor union support plus grants from the Ford Foundation, the Carnegie Corporation, and the Edna McConnell Clark Foundation—the center is now tackling other

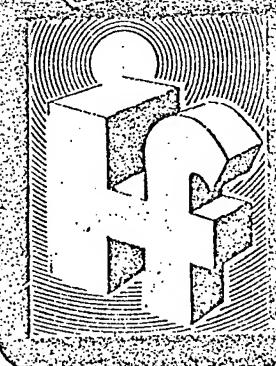
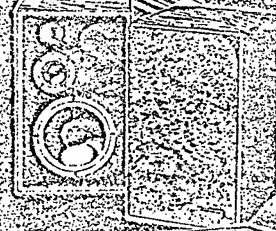
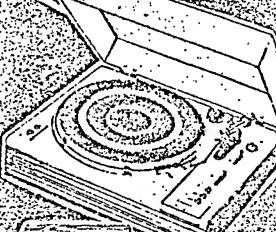
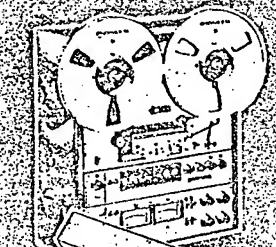
problems it believes are hampering pre-Approved For Release 2009/08/20 : CIA-RDP87-00868R000100030022-9

"Anyone who wants to provide a legal services plan across state borders has got a problem," complains DeMent. So the center is pushing for Federal Trade Commission preemption of state restraints on lawyer advertising. DeMent argues that the FTC has authority to dismantle the restrictions under its broad mandate to prevent "unfairness" to consumers: more liberal advertising rules would help consumers find lower-cost legal services. The center already has become an informal consultant to the FTC's Boston regional office, which is heading the agency's in-

vestigation of the advertising question. "It's more of a 'do-it-yourself' emphasis in our legal system. Explains Baron: "Down the road, we're looking at alternative methods of dispute resolution which may reduce the need for lawyers. We're looking at do-it-yourself divorce kits, bankruptcy kits, and so on."

With the help of such improbable allies as the ABA and Congress, the center is challenging the *status quo*. And Baron, who claims to be "embarrassed" to admit he's a lawyer, is happy to tell you what it's all about: "We're around to make sure that these prepaid plans are devised with the consumer in mind—not the lawyer." □

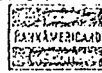
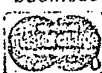
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Referral service gets huge initial response

Virginia's first statewide lawyer referral service, started by the Virginia State Bar on Jan. 3, has drawn a tremendous initial response from the public, with 440 persons referred to Virginia lawyers in the first two weeks of operation.

The nonprofit, public service program provides a toll-free telephone number which persons anywhere in the state may call. If they appear to have a legal problem, they can be referred to an attorney in their area for up to a half-hour of consultation for a nominal fee not to exceed \$15.

Similar services are being provided by state bar associations in some 26 other states, including neighboring North Carolina.

The new Virginia Lawyer Referral Service, funded both by the Virginia State Bar and a special grant from the Virginia Department of Welfare, is aimed primarily at the low and middle income groups in Virginia, although it is available to anyone who calls the toll-free number, 800-552-7977, or in the Richmond area, 643-2133.

According to J. Riley Johnson Jr., of Norfolk, chairman of the state bar's Special Committee on Lawyer Referral, which developed

the new service: "It is the bar's responsibility, and the professional responsibility of every lawyer under Canon 2 of our Code of Professional Responsibility, to make legal services easily and conveniently available to all persons. We hope that this new statewide service will be a major vehicle by which practicing Virginia lawyers will discharge this responsibility, with the public the

real beneficiary.

"Many persons have no idea how to select a lawyer. Many do not know a lawyer. Some fear and distrust lawyers, or the rumored possibility of excessive fees. Some think lawyers mean only litigation. The Virginia Lawyer Referral Service, we feel, will bring the public generally to a better understanding of the law and of the role

*See REFERRAL page

Justice I'Anson elected NCCJ vice-chairman

Chief Justice Lawrence W. I'Anson of the Supreme Court of Virginia has been elected Second Vice-Chairman of the National Conference of Chief Justices (NCCJ).

The election took place Dec. 11 during a special meeting in San Diego. Mr. Justice I'Anson will serve the remainder of a term to expire at the Conference's annual meeting in August, 1977.

The vacancy occurred during the middle of the term as the

result of the resignation of Chief Justice Heflin of the Supreme Court of Alabama, as Chairman of the Conference. The deputy chairman, first vice-chairman, and second vice-chairman moved up, vacating the second vice-chairman position.

Although it is not provided for by the Conference's constitution, it has been normal practice for some years for persons elected second vice-chairman to ultimately become chairman of the Conference.

Referral

cont. from page 1

of the lawyer; and most importantly, they will be quick to realize how they can personally benefit from this new service," Johnson said.

By mid-January, 765 Virginia lawyers had signed up with the statewide service. Each paid an annual fee of \$15, to offset the costs of operation, and agreed to accept any referral for initial interview except for those matters he or she indicated an unwillingness to handle. Additional members of the Virginia State Bar are signing up daily from across the state.

According to Miss Mary Virginia Dinkins, staff assistant for Lawyer Referral in the Virginia State Bar office, referrals were made to lawyer members of the service in 29 of Virginia's 30 judicial circuits during the first two weeks of operation, with only the 30th Judicial Circuit yet to receive a referral as of January 15.

However, she added, more than 57 per cent of the referrals in the first two weeks were in the central and northern Virginia areas, where a number of lawyers received multiple referrals because demand exceeded the supply of lawyers in those areas belonging to the statewide service.

During its first two weeks, the service handled 616 calls, with only 176 not resulting in referrals, usually because the caller didn't appear to have a legal problem, or because his or her problem hadn't matured to where a lawyer was needed.

Types of calls

Of the 23 legal problem areas regularly listed by the referral service, the most frequent among referrals made involved domestic relations (divorce, support and child custody), commercial transactions, personal injury and property damage and traffic offenses.

440 persons referred

However, she added, initial reports indicate that the service is functioning well, with only 10 persons failing to make their referral appointments with the lawyers, out of 440 persons receiving referrals. Four other persons made their appointments but subsequently cancelled them, including two who determined in telephone conversations with the lawyers that legal services weren't needed after all to resolve their problems.

"We were pleasantly surprised," said Miss Dinkins, at the high degree of awareness among callers that they have some kind of legal problem. She said many people call and are quite relieved when they can be put in touch with an attorney handling matters in the area of their need. Most of those calling just want to be introduced to a lawyer and did not know how to go about it. Television news reports and public service announcements placed on TV probably had the biggest impact in generating referral calls to the service.

"Though it's still too early to determine how satisfied the public is with the results obtained through this service," she added, "several of the lawyers receiving referrals have already written us some nice letters about what a great service it is."

Area retail merchants planning consumer seminar

Federal laws regulating consumer credit will be discussed at one-day Consumer Credit Compliance Seminar to be held Feb. 15 at the Richmond Hyatt House in Richmond.

The all-day meeting, open to anyone who wishes to attend, including lawyers, accountants, auto-

*Council

cont. from page 2

the minimum requirements of the program. Failure to do so would result in a 30-day notice from the board. After that period, if the report still is not filed, the lawyer would be suspended from membership in the Virginia State Bar and from the practice of law in Virginia.

However, on application by a lawyer, the board would be empowered to waive in individual cases educational and reporting requirements, upon a showing of

Short course set for lawyers

Short Courses for Defense Lawyers and for Prosecuting Attorneys will be conducted again this year by Northwestern University School of Law under the direction of Professors Fred E. Inbau and James B. Haddad.

The Course for Defense Lawyers will be held from June 27th through July 1st; the one for Prosecutors will be held from August 1st through August 5th.

A substantial portion of each course will deal with "Trial Techniques". Other subjects on the program will include "Recent Developments in the Law of Arrest, Search and Seizure"; "Interrogations and Confessions"; "Discovery Rights and Limitations".

retail merchants association, both men are authorities on the board, comprehensive statutes applicable to the extension of all kinds of credit.

Registration begins at 8:30 a.m., followed by lectures and question-and-answer periods from 9 a.m. to 4:00 p.m. with intermis-



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PRE-PAID LEGAL SERVICE PROGRAM

YOU CHOOSE THE PLAN YOU LIKE

Plan Administrator:
American Business Association, Inc.
2000 Century Plaza
Columbia, Maryland 21044
596-3344

At the time of your application you choose either Plan 1000, or 2000 coverage. You may later change your election to the other coverage by giving proper notice to the Plan Administrator. The change will become effective 60 days after receipt of notification.

LFRA
Prepaid Legal Services Division
Tempo B, Room 2052
P.O. Box 24144, Washington, D.C. 20024
Phone: 554-6910

30-day waiting period for Preventive Law and Consultation. 90-day waiting period for all other legal benefits, except six month waiting period on Divorces.

Your spouse and all dependent children living at home, under the age of 21, will be eligible for no additional service charge.

Gentlemen:
I would like to participate in or obtain more information on the Pre-Paid Legal Service Program. I understand that this does not obligate me in any way.

Payment Methods

	PLAN 1000	PLAN 2000
Monthly	() \$ 6.00	() \$ 8.00
Semi-Annually	() \$34.50	() \$45.00
Annually	() \$68.00	() \$88.50

() Payment enclosed, including \$10.00 Enrollment Fee.

Date _____ Signature _____

PLEASE PRINT

Name _____

Address _____

City and State _____

I am a member of (Agency) _____

Office Phone _____ Res. Phone _____

☐ You may enroll me.

☐ Request additional information

☐ Please charge to my Master Charge

Account No. _____

Expiration Date _____

Signature _____

If not delighted, return in 10 days for full REFUND

PLAN 1000 \$6.00 per month
\$34.50 Semi-Annual Fee \$68.00 annual fee

Your Plan Administrator employs a law firm to represent all those electing Plan 1000. The Plan Administrator will pay for the services in your behalf as follows:

Preventive Law
Simple Wills — Subscriber and Spouse
Probate
Divorce, Separation or Annulment —
Noncontested, Subscriber only
Adoption Proceedings
Change of Name
Juvenile Proceedings
Real Estate Transactions —
Primary family dwellings
Tenant/Landlord Actions
Birth Certificates
Preparation of Simple Legal Documents
Administrative and Other Judicial Recoveries
Bankruptcy — Non Business
Consumer Law

In addition to the above benefits, you will also receive the following benefits with limitations in parenthesis.

Traffic Violations — Misdemeanors and felonies (excludes parking tickets)
Civil Actions (Claims over \$1,000.00 to be handled on a regular contingency fee basis)
Claims Against Ins. Co., Insured Motorist & Uninsured Motorist (Claims over \$1,000.00 to be handled on a regular contingency fee basis)

PLAN 2000 \$8.00 per month
\$45.00 Semi-Annual fee \$88.50 annual fee

Your Plan Administrator employs a law firm to represent all those electing Plan 2000. The Plan Administrator will pay for the services in your behalf as follows:

Preventive Law
Simple Wills — Subscriber and Spouse
Probate
Divorce, Separation or Annulment —
Noncontested, Subscriber only
Adoption Proceedings
Change of Name
Juvenile Proceedings
Real Estate Transactions —
Primary family dwellings
Tenant/Landlord Actions
Birth Certificates
Preparation of Simple Legal Documents
Administrative and other Judicial Recoveries
Bankruptcy — Non Business
Consumer Law
Unlimited Consultations
Crime Against Persons

In addition to the above benefits, you will also receive the following benefits with limitations in parenthesis.

Traffic Violations — Misdemeanors and felonies (excludes parking tickets)
Civil Actions (Claims over \$1,000.00 to be handled on a regular contingency fee basis)
Claims Against Ins. Co., Insured Motorist & Uninsured Motorist (Claims over \$1,000.00 to be handled on a regular contingency fee basis)

MIKE CAUSEY

Clay Backs Union Shop

The head of the House Civil Service subcommittee believes most government workers should be required to join unions. And he wants the 2.8 million U.S. aides given the right to use their muscle and money to clobber anti-bureaucratic politicians at election time.

Chairman Bill Clay (D-Mo.) has already steered reform of the Hatch "no-politics" Act through the House. Now, he says he will push for major labor relations changes within the federal government, the nation's biggest single employer.

Clay says he will start off demanding the union shop in government. But he realizes that he may have to settle for an arrangement under

Clay also took a swipe at colleague Rep. Joseph Fisher (D-Va.) who voted against Hatch Act reform. Fisher, who has one of the largest federal employee voter blocs of any member of Congress, wanted to limit federal and postal employee participation in partisan political campaigns to the state and local level. He finally voted against the Clay version of Hatch Act reform, which most Democrats supported.

Clay, who is black, said he felt Fisher's input from constituents was like a slave-owner of the 1850s polling his slaves on the issue of slavery.

Clay said the "house niggers" who had relatively light duty and good treatment would say slavery was a good thing. But the "field niggers" who did the dirty work wouldn't be polled since they would have a different viewpoint, he said. By the same token, Clay said, the Northern Virginia Democrat talked to "supergraders" who have the money and privileges, and not the rank-and-file.

Fisher characterized Clay's comments as "totally inaccurate."

"I conducted a survey of constituents and received replies from over 20,000 of them, many of them members of federal employee unions. The opinion was decisively against the Hatch Act amendments the committee proposed.

"I have consulted personally with federal employees in all grades and in numerous agencies, and have not confined myself to any particular group of federal employees."

A \$68 Divorce: Members of the League of Federal Recreation Associations (LFRA) now may join a prepaid legal service. It includes guidance and paperwork on everything from wills to divorce. LFRA has about 110,000 members here and is open to most federal employees.

The service costs between \$68 and \$88.50 a year (depending on coverage wanted). It is administered by the American Business Association.

Coverage, LFRA officials say, includes the services of attorneys qualified to practice in D.C., Maryland or Virginia. The current client-to-attorney ratio is 500 to 1, but the caseload now runs only 12 or 13 legal actions a month.

Nearly a quarter of the legal help requested from members so far has been in divorce cases. If you want to check it out yourself, call 554-6910 for details. This isn't an endorsement of the program, just a notification that it is available.

The Federal Diary

which most federal workers would pay union dues—for representation and service—no matter whether they wanted to be members of the union or wanted the representation.

Part of Clay's legislative package would give federal and postal unions greater status and bargaining powers with federal agencies. It also would abolish the present labor-management code which was set up by the President.

Clay believes that his liberalization of the 38-year old Hatch Act will be passed by the Senate, despite reports that the Governmental Affairs Committee may let the bill die. Clay told an informal gathering of reporters yesterday that he had "reason to believe" that Chairman Abraham Ribicoff (D-Conn.) won't try to block the House-passed Hatch Act changes, although Ribicoff personally is cool to the idea.

The Missouri Democrat said that federal and postal workers who get benefits from union contracts and actions should pay for them, even if they don't belong. Currently less than half the federal work force is unionized, and it is illegal to require an employee to join a union to get or hold a federal job.

Clay said the Civil Service Commission has said it might be a year before it studies and comments on a revised labor-management program, and he isn't going to wait a year. He said he might skip CSC input for the moment and push ahead with hearings aimed at getting "some kind" of labor-management bill ready for a House vote by Labor Day.